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## **China Goldjoy Group Limited**

**中國金洋集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1282)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

#### **Placing Agent**



**博大證券有限公司**  
**Partners Capital Securities Limited**

博大金融控股有限公司  
MEMBER OF PARTNERS FINANCIAL HOLDINGS

#### **THE PLACING AGREEMENT**

On 21 March 2016 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has agreed to place, through the Placing Agent on a best effort basis, up to 585,416,800 new Shares to not less than six Places at the Placing Price of HK\$0.78. The Placing Shares will be allotted and issued pursuant to the General Mandate. The net proceeds from the Placing is estimated to be approximately HK\$447,292,600.

Assuming that there is no change in the number of issued Shares between the date of this announcement and the completion of the Placing, the maximum number of 585,416,800 Placing Shares under the Placing represents (i) 2.72% of the total number of issued Shares as at the date of this announcement; and (ii) 2.64% of the total number of issued Shares as enlarged by the allotment and issue of the Placing Shares.

The Placing is conditional upon the Stock Exchange having granted the listing of, and the permission to deal in the Placing Shares.

**Shareholders of the Company and potential investors should note that the Placing is subject to the fulfillment of the condition(s) as set out in the Placing Agreement, and that the Placing may or may not proceed to completion. Shareholders of the Company and potential investors are reminded to exercise caution when dealing in the Shares.**

## **PLACING OF NEW SHARES**

The Company is pleased to announce that on 21 March 2016 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement with respect to the Placing, the principal terms of which are summarized below.

### **THE PLACING AGREEMENT**

#### **Date:**

On 21 March 2016 (after trading hours)

#### **Parties:**

- (i) The Company as the issuer; and
- (ii) The Placing Agent as the placing agent.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

#### **The Placing Shares**

The Placing Agent has conditionally agreed to place, on a best effort basis, the maximum number of 585,416,800 Placing Shares to not less than six Placees. None of the Placees is expected to become a substantial shareholder (as defined in the Listing Rules) of the Company as a result of the Placing.

Assuming that there is no change in the number of issued Shares between the date of this announcement and the completion of the Placing, the maximum number of 585,416,800 Placing Shares under the Placing represents (i) 2.72% of the existing number of issued Shares; and (ii) 2.64% of the number of issued Shares as enlarged by the allotment and issue of the Placing Shares. Based on the closing price of the Shares of HK\$0.930 on the date of the Placing Agreement, the Placing Shares have a market value of approximately HK\$544,437,624.

The Placing Shares will rank *pari passu* in all respects among themselves and with other Shares in issue on the date of allotment and issue of the Placing Shares.

#### **The Placing Price**

The Placing Price of HK\$0.78 was determined after arm's length negotiation between the Company and the Placing Agent with reference to the prevailing market prices of the Shares and represents:

- (i) a discount of 16.13% to the closing price of HK\$0.930 per Share as quoted on the Stock Exchange on 21 March 2016; and
- (ii) a discount of 8.88% to the average closing price of HK\$0.856 per Share as quoted on the Stock Exchange for the last five trading days up to and including 18 March 2016.

Assuming that all the 585,416,800 Placing Shares are placed under the Placing, the gross proceeds and the estimated net proceeds from the Placing will amount to approximately HK\$456,625,104 and HK\$447,292,600, respectively. The net price per Placing Share is therefore estimated to be approximately HK\$0.764.

### **Conditions of the Placing**

Completion of the Placing is conditional upon the satisfaction of the following conditions:

- (i) the listing status of the Shares not being revoked such that the Shares shall continue to be traded on the Stock Exchange before the completion of the Subscription (except for the suspension of trading of the Shares in respect of the Placing Agreement pending an announcement to be made) and that neither the Stock Exchange nor the Securities and Futures Commission has indicated its dissenting view on the above-mentioned listing status based on the transactions proposed to be conducted under the Placing Agreement or reasons arising from thereof; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in the Placing Shares.

Completion of the Placing shall take place on or before the fifth business days after the fulfillment of the conditions as set out above or such other date as agreed between the Company and the Placing Agent (the "Completion Date"). If the above conditions are not satisfied, on or before 20 May 2016, the Placing Agreement will be terminated and become void forthwith.

### **Placing Commission**

The Company shall pay to the Placing Agent a commission equal to 2% of the aggregate amount of the Placing Price multiplied by the actual number of the Placing Shares being placed. The commission rate was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the market rate.

### **Listing Application**

An application will be made by the Company to the Stock Exchange for the granting of the listing of, and the permission to deal in the Placing Shares.

### **The General Mandate**

Under the General Mandate, the Directors are authorized to allot and issue up to 585,416,800 new Shares. As at the date of this announcement, no Share has been issued pursuant to the General Mandate. Since all the Placing Shares will be issued under the General Mandate, the Placing is not subject to approval of the shareholders of the Company.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the table of the shareholding structure of the Company before and after completion of the Placing:

	As at the date of this announcement		Upon completion of the Placing	
	Number of Shares	Shareholding	Number of Shares	Shareholding
<b>Shareholders of the Company</b>				
Tinmark Development Limited	10,771,835,600	49.99%	10,771,835,600	48.67%
Foresea Life Insurance Co., Ltd	4,219,560,000	19.58%	4,219,560,000	19.06%
The Placee(s)	–	–	585,416,800	2.64%
Other public shareholders	6,557,202,500	30.43%	6,557,202,500	29.63%
	<u>21,548,598,100</u>	<u>100.0%</u>	<u>22,134,014,900</u>	<u>100.0%</u>

## REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the development of a range of high-technology products; trading and providing services with respect to automation related equipment. Assuming that all the 585,416,800 Placing Shares are placed under the Placing, the intends net proceeds from the Placing will be approximately HK\$447,292,600. The Company intends to apply the net proceeds raised from the Placing to acquire equity interests of financial and other related enterprises in order to diversify and extend the Group's business into the financial and other related sectors and to capture the development opportunities in the booming financial industry.

Given the above, the Directors are of the view that the terms of the Placing Agreement (including the Placing Price and the commission rate) are normal commercial terms and are fair and reasonable, such that the Placing is in the interest of the Company and its shareholders as a whole.

## FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

On 9 May 2015, the Company entered into a subscription agreement with Tinmark Development Limited, Foresea Life Insurance Co., Ltd, Mr. Fang Jianfu, New Ethics Limited, State Leap Limited, Golden Chain International Limited, Robust Sino Limited, Dawnfield Investment Limited (the "Investors"), Mr. Wong Kwok Fong and Ms. Ching Pui Yi, pursuant to which the Investors have agreed to subscribe for 18,611,994,100 new Shares. The subscription was completed on 3 August 2015 and raised net proceeds of approximately HK\$3,346,200,000, which were intended to be utilized to: (i) strengthen and expand the existing business of the Group; (ii) explore business opportunities in the energy-saving lighting industry in the PRC; (iii) expand the product capacity of the Optoelectronic Enterprise, and finance the acquisition of fixed assets; (iv) acquire the equity interests in a domestic financial enterprise; and (iv) be used as the general working capital of the Company. As at the date of this announcement, net proceeds of approximately HK\$159,200,000 were utilized by the Group, while net proceeds not utilized were held as cash and cash equivalents and intended to be utilized in the manner disclosed in the Company's circular dated 29 June 2015.

Other than those disclosed above, no equity fund raising exercise was conducted by the Company in the past twelve months immediately preceding the date of this announcement.

**Shareholders of the Company and potential investors should note that the Placing is subject to the fulfillment of the condition(s) as set out in the Placing Agreement, and that the Placing may or may not proceed to completion. Shareholders of the Company and potential investors are reminded to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings ascribed to them respectively:

“Company”	China Goldjoy Group Limited (中國金洋集團有限公司), a company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted by the shareholders of the Company to the Directors at the extraordinary general meeting of the Company held on 8 May 2015 to allot, issue and deal with up to 585,416,800 new Shares, being 20% of the number of issued Shares as at the date of that extraordinary general meeting
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	independent third party who is not connected person (as defined under the Listing Rules) of the Company and is independent of and not connected with the connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s) ”	any professional, institutional or other investor(s) or person or entity who are Independent Third Parties procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing

“Placing”	the placing of the Placing Shares pursuant to the Placing Agreement
“Placing Agent”	Partners Capital Securities Limited, a licensed corporation to carry on businesses in Type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong), being the placing agent in respect of the Placing
“Placing Agreement”	the placing agreement dated 21 March 2016 entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	HK\$0.78 per Placing Share
“Placing Shares”	up to 585,416,800 new Shares to be placed pursuant to the terms of the Placing Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board  
**China Goldjoy Group Limited**  
**Yao Jianhui**  
*Chairman and Chief Executive Officer*

Hong Kong, 21 March 2016

*As at the date of this announcement, the Board comprises three executive directors, namely Mr. Yao Jianhui, Mr. Feng Huiming and Mr. Li Minbin; one non-executive director, namely Mr. Huang Wei; and three independent non-executive directors, namely Mr. Wong Chun Bong, Professor Lee Kwok On, Matthew, and Mr. Lee Kwan Hung.*